

Application number: 09/396005

Art Unit: 3621

Applicant: Khai Hee Kwan

Examiner: James A Reagan

Title: Method, apparatus and program to make payment in any currencies through a communication network system using prepaid cards

Remarks

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The examiner asked for restriction to independent claims 29 and 47 during interview on the 01 May 2006. The applicant agreed and as noted Claim 47 was expressly sought to seek an interference count as per the 25 February 2006 submission. It is noted that such interference may only be considered when and if claim 47 is allowed upon the applicant submitting a divisional application in reply to said restriction requirement.

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The applicant respectfully ask the examiner to consider the above amended claims. The current amendments includes incorporating elements for 'funds from prepaid cards' and 'transfer made independently of said prepaid cards' as found in Claim 13, 34 and 39. The applicant submits neither the Rosen and Jennings show this feature, noting that both expressly uses funds from bank accounts. Even if Rosen's electronic wallet could be read as a prepaid card, it could not be said it also operate independently of one. The distinguishing feature is where the claimed invention seeks to apply funds in payer's account (previously drawn from a prepaid card) for transfer to payee instead of using funds directly from a prepaid card. Secondly the payer's account identifier is different to the prepaid card's identification which is reiterated in claim 14,35,40 where details the steps in creating this different account by user. The steps would not be obvious in light of Rosen and Jennings or known at the time of the invention. For example, credit cards' identifier is the same as the account holder's identifier with the bank (Same Name on card and account). And both Rosen and Jennings use bank accounts, although Rosen teaches the actual transfer is without a banking intermediary. As for claim 14, 36, 41, the examiner has already submitted these are allowable elements but for its reliance to base claims. The applicant has taken this opportunity to select the distinguishable features and apply them to NEW claim 48 and 49 which encompasses reflect the funds are not sourced

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from a bank account which the applicant submits to be patentable. New claims 50,51,52 are added to reflect the telephony network. The following details our full rebuttal.

Claim 13,34,39

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The examiner provided the reason for Jennings (US 5659165) to combine with Rosen (US 5455407) by asserting Jennings provides direct support to Rosen's disclosure, "...there is a need for a system that allows common payor to payee economic exchanges without the intermediation of the banking system, and that gives control of the payment process to the individual.. " (Rosen col 2, lines 42-49). The applicant respectfully disagrees as the examiner placed no record in Jennings supporting this. While Rosen shows there is a need for such a feature, Rosen also teaches such exchanges is without the intermediation of the banking system. In fact, the key feature of Rosen is to made transfer possible without a banking network to justify its reduction in transfer fees. This teaching is irreconcilable with Jennings as Jennings clearly teaches using a banking system to transfer funds beginning by using a bank account. (See Abstract). Also See Examiner's own assertion at page 4 of Action Letter and quoting Rosen at C8, L52-62 "a subscriber will not be required to maintain a bank account" which is contradictory to Jennings as Jennings clearly requires a bank account. In MacGinlet v Franklin Sports, Inc 262 F.3d 1339, 1354 (Fed Cir 2001) (" If references taken in combination would produce a 'seemingly inoperative device, ' we have held that such references teach away from their combination") It is clear that where Rosen teach of interacting with payee and Jennings teach without interacting with payee, it will not be possible for one skilled in the art to combine. Therefore, the applicant respectfully submits that the element "without interacting with payee" while satisfied by Jennings's teaching is made inoperable with Rosen and hence no prima facie case of obviousness has been made out.

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Importantly it was not shown by the examiner that why would one skilled in the art would see fit to replace the feature of 'interacting with payee' to one without interacting

with payee. Therefore there was no evidence that had one skilled in the art known 'interacting with payee' posed an disadvantage, he would sought out a different approach as found in Jennings. Nor was there evidence from the examiner to show that one skilled in the art would have combine in view of Jennings, notwithstanding the conflicting
5 teachings. The evidence relied by the examiner to show both teachings seeking to make fund transfer is therefore conclusory and clearly hindsight analysis.

In addition, the current amendment includes 'independently of a prepaid card' which is not suggested by either prior arts and while prepaid cards are old in the art, there is no
10 teaching to combine with a system that uses a banking system as found in Jennings nor without a banking intermediary as found in Rosen for transfer. The applicant respectfully submits that said claims are now allowable.

Claim 14, 35, 40

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The examiner asserted that it would be obvious to link said account because it would serve to thwart any possible fraudulent use of an existing user's account upon the pretext of adding more stored value to it and activating a new prepaid card. The applicant submits this 'reasoning' to be conclusory as Rosen has no teaching at all on prepaid
20 cards. (See In re Morris, 127 F.3d 1048, 1054-44 USPQ2d 1023, 1027-28 (Fed Cir 1997) (Claims must be given the broadest reasonable interpretation consistent with the specification)

And if Rosen's module is a read widely to include a prepaid card then there is still no
25 reason for it to be linked as claimed. Firstly, Rosen's funds are drawn from a deposit account which obviously is in the name of the user as opposed to our claimed invention where the stored funds are drawn from a prepaid card which has no user identifier (as opposed to card identifier). We distinguish between a card identifier and user identifier here for a prepaid card as it is not known for a prepaid card to have user identifier.

Secondly, the examiner presented no evidence to show how could linking the account in Rosen thwart any possible fraudulent use of an existing user's account. In fact, the applicant submits that by linking it to an user identifier the risk of fraudulent use is increase and NOT decrease as asserted by the examiner. The reason is simple because

5 while the card is unlinked, the only way to steal the money is to steal the card which has a security code too difficult for human to remember. Once a card is linked then the security code is useless and now the stored funds is only protected by an user identifier and a password which requires a normal user to remember. In short, the examiner had not made the case to show that account identifier and passwords could be said to be more secure

10 than a security code found in a prepaid card. Unless this case has been made, the examiner's assertion could only be conclusory.

The examiner also mentioned 'activation method' to provide stronger protection. The examiner fails to reason how this would be obvious in view of protecting a debit/stored

15 value card in Rosen. The examiner merely concluded that once properly activated by himself or herself will the account associated with the card be accessible for transaction. The applicant fails to see how this activated account could now be offering stronger protection as compared to when it was not activated by associating to an account.

In order to support the examiner's conclusion, there must be showing that unactivated prepaid cards (ie without linking to an account) is less secure. The applicant has already explained above that user identifiers and passwords are not known to be more secure to a string of activation code found on a prepaid card. In fact having the prepaid card by itself is more secure since the only way the funds could be stolen is by stealing the card or

20 discovering the activation code, a task that is more challenging since prepaid cards are often kept safely as compare to applying programs to crack user identifiers and password online.

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The applicant respectfully submits that said claims are allowable.

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Claims 33,38 and 43

5 The examiner takes official notice that 'payer is unknown to host server' is old and well-known. The applicant respectfully ask the examiner to provide support. MPEP § 2144.03

In particular, it appears that the examiner has constructed this to mean anonymous transactions protecting the privacy of transacting parties. The applicant begs to differ. This element is strictly to claim unknown to host server rather than unknown to payee as
10 counter party of the transaction which is common (See defunct digicash). In particular where non-prepaid method is used, the host server need to reconcile their accounts so they will know where the encrypted digital tokens came from as to be able to drawn on these accounts, so host server has to know the payer (where it originates). Also see
15 Rosen discussed this where it draws funds from the depositor's account and encrypting it which means the host server has to know where the encrypted tokens originate. Even if it is old, this combination with the independent claims make it unobvious in view of Rosen and Jennings, viewing the claims as a whole since neither claim prepaid cards.

20 The applicant respectfully submits that said claims are allowable.

Claims 44,45,46

25 The examiner takes official notice that 'POS and card dispensing machine' is old and well-known. The applicant respectfully ask the examiner to provide support. MPEP § 2144.03.

While it may be true that POS and card dispensing machine are old this does not necessarily means they are connected to a host server with stored funds as found in Claim 13,34,40. Furthermore, the applicant has amended the claims to show POS issuing a

receipt representative of a prepaid card. There is no evidence to show that a POS will issue a receipt representative of a prepaid card. As for card dispensing machine while they do issue prepaid cards and even a receipt but is the receipt a representation of the prepaid card ?

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Furthermore, a card dispensing machine is not necessarily a POS as it is unknown for these to be connected to a host server. These card dispensing machine dispense manufactured prepaid cards and not necessarily a prepaid card on demand. Even if they are old, this combination with independent claims would make it as a whole unobvious.

10 There is no reason for Rosen and Jennings to issue prepaid cards.

The applicant respectfully submits that said claims are allowable.

15 NEW CLAIMS 50,51,52

These claims merely limits said network to a telephone network. Antecedent can be found at page 13 and 14 of the original pending specification and the applicant quote "In a preferred embodiment, a pre-paid card system enables customers to access a telephone

20 network and obtain transaction services such as paying for water, gas, electricity or services other than making a phone-call". The applicant respectfully submits that said claims are allowable.

25 NEW CLAIMS 48,49

These claims repeat some of the distinguishable features of Claims 13 and 14 in combination (also 34 and 35). The main element includes the user identifier is different to the prepaid card as most cards including debit/credit cards have same identifiers to the

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user. The claims include without using a bank account to draw the funds which are not obvious in both Rosen and Jennings and that both payer and payee are different persons.

As the underlying rebuttal is substantially similar to 13 and 14 combined for method class
5 (similarly for system), the applicant respectfully submits that claims 48 and 49 are allowable.